

**DAVID CROCKETT STEAM VOLUNTEER
FIRE COMPANY NUMBER ONE
OPERATIONS FUND
FINANCIAL REPORT**

YEAR ENDED DECEMBER 31, 2004

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
David Crockett Steam Volunteer Fire Company Number One

We have audited the accompanying statement of financial position of the Operations Fund of David Crockett Steam Volunteer Fire Company Number One (a non-profit organization) as of and for the year ended December 31, 2004 and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As explained in Note 1 to the financial statements, depreciation on property, plant and equipment is not recorded in the financial statements. In our opinion, accounting principles generally accepted in the United States of America require that depreciation be recorded on these assets. It was not practicable to determine the effects of the unrecorded depreciation expense or accumulated depreciation as of and for the year ended December 31, 2004.

In our opinion, except for the effects of not recording depreciation on property, plant and equipment, as discussed in the preceding paragraph, the financial statements of the Operations Fund referred to in the first paragraph present fairly, in all material respects, the financial position of the Operations Fund of the David Crockett Steam Volunteer Fire Company Number One as of December 31, 2004 and the changes in its net assets and its cash flows for the year then ended December 31, 2004 in accordance with accounting principles generally accepted in the United States of America.

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In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2005 on our consideration of the David Crockett Steam Volunteer Fire Company Number One's internal control over financial reporting in its Operations Fund and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Camnetar & Co.

Camnetar & Co., CPAs

a professional accounting corporation

Gretna, Louisiana

June 27, 2005

FINANCIAL STATEMENTS

DAVID CROCKETT STEAM VOLUNTEER FIRE COMPANY NUMBER ONE
STATEMENT OF FINANCIAL POSITION
OPERATIONS FUND
DECEMBER 31, 2004

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 121,732
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Total current assets	121,732
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PROPERTY, PLANT AND EQUIPMENT	2,624,173
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OTHER ASSETS

Deposits	2,125
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Total other assets	2,125
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TOTAL ASSETS	<u>\$ 2,748,030</u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Payroll taxes payable	\$ 1,469
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Total current liabilities	1,469
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NET ASSETS

Unrestricted	2,746,561
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Total net assets	2,746,561
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TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,748,030</u>
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The accompanying notes are an integral part of this statement.

DAVID CROCKETT STEAM VOLUNTEER FIRE COMPANY NUMBER ONE
STATEMENT OF ACTIVITIES
OPERATIONS FUND
FOR THE YEAR ENDED DECEMBER 31, 2004

UNRESTRICTED NET ASSETS

REVENUE

City funding	\$ 552,135
Miscellaneous	2,691
Grant	<u>84,733</u>

Total revenue 639,559

EXPENSES

Administrative	19,815
Firefighting	<u>484,988</u>

Total expenses 504,803

INCREASE IN UNRESTRICTED NET ASSETS 134,756

NET ASSETS - BEGINNING OF YEAR 2,611,805

NET ASSETS - END OF YEAR \$ 2,746,561

The accompanying notes are an integral part of this statement.

DAVID CROCKETT STEAM VOLUNTEER FIRE COMPANY NUMBER ONE
STATEMENT OF CASH FLOWS
OPERATIONS FUND
FOR THE YEAR ENDED DECEMBER 31, 2004

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase in net assets	\$ 134,756
Adjustment to reconcile change in net assets to net cash provided by operating activities	
Increase in payroll taxes payable	<u>1,469</u>
Net cash provided by operating activities	1,469
 CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of property and equipment	<u>(116,518)</u>
Net cash used in investing activities	(116,518)
 NET INCREASE IN CASH AND CASH EQUIVALENTS	 19,707
 CASH AND CASH EQUIVALENTS - beginning of year	 <u>102,025</u>
 CASH AND CASH EQUIVALENTS - end of year	 <u><u>\$ 121,732</u></u>

The accompanying notes are an integral part of this statement.

DAVID CROCKETT STEAM VOLUNTEER FIRE COMPANY NUMBER ONE
NOTES TO FINANCIAL STATEMENTS
OPERATIONS FUND
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

DESCRIPTION OF ACTIVITIES

David Crockett Steam Volunteer Fire Company Number One (a non-profit organization) was established to provide fire fighting within the City of Gretna, Louisiana. In addition, the Organization provides fire code inspections for businesses within the city, as well as fire and rescue training for its members. David Crockett Steam Volunteer Fire Company Number One received the vast majority of its financial support from the City of Gretna. The financial statements do not include the separate fund to account for the social activities of the company, it only includes the operations fund.

A summary of the David Crockett Steam Volunteer Fire Company Number One's Operations Fund significant accounting policies applied in the preparation of the accompanying financial statements follows.

BASIS OF ACCOUNTING AND PRESENTATION

The financial statements are prepared on the accrual basis. Under that basis, revenues are recognized when earned and expenses are recognized when incurred.

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in Statement of Financial Accounting Standards No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, information regarding financial position and activities is reported according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets and a statement of cash flows is required. As of December 31, 2004, David Crockett Steam Volunteer Fire Company Number One's operations fund had only unrestricted net assets.

The statement of activities presents expenses functionally between program services for firefighting, general and administrative, and fund raising. Those expenses, which cannot be functionally categorized, are allocated between functions based upon management's estimate of usage applicable to conducting those functions.

COMPENSATED ABSENCES

A liability has not been recorded for accumulated vacation or sick leave because it is nonvesting.

PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment were stated at acquisition cost since 1991. Assets purchased prior to 1991 are recorded at their fair market value. No provision for depreciation expense has been recorded in the financial statements.

DAVID CROCKETT STEAM VOLUNTEER FIRE COMPANY NUMBER ONE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
OPERATIONS FUND
FOR THE YEAR ENDED DECEMBER 31, 2004

**NOTE – 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (CONTINUED)**

DONATED SERVICES

The value of donated services is not reflected in the accompanying financial statements since there is no objective basis available by which to measure the value of such services. However, a substantial number of volunteers have donated significant amounts of their time to the Organization's fire fighting activities.

INCOME TAXES

The fire company is exempt from income taxes under Internal Revenue Code section 501(c)(4) as a nonprofit organization and thus these financial statements contain no provision for income taxes.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents, for cash flow statement purposes, include investments in highly liquid debt instruments with maturities of three months or less, including amounts whose use is limited by board designation.

USE OF ESTIMATES

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and income and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - CASH AND CASH EQUIVALENTS

At December 31, 2004, the carrying amount of the David Crockett Steam Volunteer Fire Company Number One operations fund bank account was \$121,732. The bank balances maintained at two financial institutions was \$129,574 of which \$129,574 was covered by federal depository insurance.

DAVID CROCKETT STEAM VOLUNTEER FIRE COMPANY NUMBER ONE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
OPERATIONS FUND
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 3 - CHANGES IN PROPERTY, PLANT AND EQUIPMENT

The following is a summary of changes in the Property, Plant and Equipment during the year ended December 31, 2004

	Balance January 1, 2004	Additions	Deletions	Balance December 31, 2004
Land	\$ 48,500	\$ -	\$ -	\$ 48,500
Buildings & Improvements	558,792	97,831	-	656,623
Fire Fighting Equipment	1,893,550	7,590	-	1,901,140
Furniture & Fixture	6,813	11,097	-	17,910
TOTAL	\$ 2,507,655	\$ 116,518	\$ -	\$ 2,624,173

NOTE 4 - RELATED PARTY TRANSACTIONS

The Board employed, on a part-time basis, Antionette Black, who is the wife of the Fire Chief Robert Black. Mrs. Black was paid \$1,481 for 2004.

NOTE 5 - PENSION PLAN

The Company has a defined contribution plan covering substantially all of its employees. The name of the plan is David Crockett Fire Company Number One Profit Sharing Plan & Trust, which is administered by David Crockett Steam Volunteer Fire Company Number One. The plan was established under provisions of various sections of the Internal Revenue Code. The plan provides for discretionary contributions by the employer based on employees' salary and elective contributions by the employees. The plan was established effective October 1, 1999. The employer contributions for 2004 were \$9,966 and the employee contributions for 2004 were \$9,303.

NOTE 6 - FIRE FIGHTING EQUIPMENT LEASE

The David Crockett Steam Volunteer Fire Co. Number One is being provided with fire fighting equipment by the City of Gretna under a lease for \$1 per year. The Company is responsible for maintenance and to maintain insurance on the equipment being leased. The equipment remains the property of the City of Gretna and therefore is not presented in Property, Plant and Equipment.

COMPLIANCE AND INTERNAL CONTROL SECTION

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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
David Crockett Steam Volunteer Fire Company Number One

We have audited the operations fund financial statements of the David Crockett Steam Volunteer Fire Company Number One (a non-profit organization) as of and for the year ended December 31, 2004, and have issued our report thereon dated June 27, 2005. We conducted our audit in accordance with generally accepted auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the David Crockett Steam Volunteer Fire Company Number One operations fund financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the David Crockett Steam Volunteer Fire Company Number One's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the operations fund financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. Our considerations of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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This report is intended solely for the information and use of the members of the David Crockett Steam Volunteer Fire Company Number One's management and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

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Gretna, Louisiana

June 27, 2005

**DAVID CROCKETT STEAM VOLUNTEER FIRE COMPANY NUMBER ONE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2004**

We have audited the financial statements of the Operations Fund of the David Crockett Steam Volunteer Fire Company Number One as of and for the year ended 2004 and have issued our report thereon dated June 27, 2005. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in "Government Auditing Standards", issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2004 resulted in a qualified opinion.

Section I Summary of Auditor's Reports

Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses ☐ Yes ☒ No Reportable Conditions ☐ Yes ☒ No

Compliance

Compliance Material to Financial Statements ☐ Yes ☒ No

Section II Financial Statement Findings

A. Issues of Non Compliance

None

B. Reportable Conditions

None

**DAVID CROCKETT STEAM VOLUNTEER FIRE COMPANY NUMBER ONE
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2004**

Section I Internal Control and Compliance Material to the Financial Statements

None

Section II Management Letter

None

**DAVID CROCKETT STEAM VOLUNTEER FIRE COMPANY NUMBER ONE
MANAGEMENT CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2004**

Section I Internal Control and Compliance Material to the Financial Statements

None

Section II Management Letter

None